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February 16, 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary
Federal Communications Commission
Room TW-A325
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Ex Parte

Applications for Consent to the Transfer of Control
of Licenses and Section 214 Authorizations from U S
WEST, Inc., Transferor, to Qwest Communications
International Inc., Transferee, CC Docket No. 99-272

Dear Ms. Salas:

On February 15, 2000, on behalf of McLeodUSA Telecommunications Services, Inc. (McLeodUSA), I discussed with Jordan Golstein, legal advisor to Commissioner Susan Ness, the procedures the FCC should adopt to ensure that Qwest Communications International Inc. (Qwest) and U S WEST, Inc. (U S WEST) (collectively, the Applicants) divest Qwest's Section 271-related assets. I made the following points during the discussion:

- The Commission cannot trust the Applicants to comply with Section 271 prior to consummating the merger. The Applicants' apparent disregard for the requirements of Section 271 are demonstrated by (1) their history of attempting to evade Section 271 before the announcement of the proposed transaction (through their unlawful joint marketing arrangement for local and interLATA services), (2) their refusal to commit, after the announcement of the proposed transaction, to a clear and detailed plan for complying with Section 271, (3) statements made by a senior attorney at Qwest, described in McLeodUSA's Petition to Deny the instant application (at 35-36), disavowing many of the assurances the Applicants had made to the Commission regarding Section 271 compliance, and (4) the recent statements by Qwest senior executives that they are seeking a "friendly" buyer for the

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Magalie Roman Salas, Secretary
February 16, 2000
Page 2

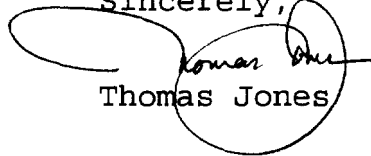
Section 271 assets and the Qwest Regional Vice President's statement that Qwest wants to be able to repurchase the Section 271 assets as part of the transaction with the friendly buyer (as the Commission well knows, such repurchase agreement would almost certainly violate Section 271).

- Thus, before issuing a decision as to whether the proposed transaction is in the public interest, the Commission must require that the Applicants file a detailed plan for complying with Section 271, and the Commission must provide an opportunity for notice and comment on the plan. Only if the Commission determines that the divestiture plan (with appropriate changes as required by the Commission) complies with Section 271, should the Commission then consider the question of whether the merger is in the public interest. Furthermore, in all events, the Commission must ensure that the Applicants comply with the divestiture plan before they consummate their proposed transaction. The Commission must retain a neutral third-party auditor, paid for by the Applicants, to analyze whether the Applicants comply with the letter and spirit of the Commission-approved divestiture plan. The auditor should provide a report to the Commission describing and analyzing the divestiture as executed, and the Commission should then make an independent judgment as to the lawfulness of the Applicants' actions. If the Commission determines that the Applicants complied with the plan, the Applicants could then consummate the transaction (assuming of course it has been otherwise approved).
- Finally, if for some reason the Commission issues an order concluding that the merger is in the public interest before ensuring that the Applicants' divestiture plan complies with Section 271 (which it should not), the Commission should follow the procedures described above before the parties are permitted to consummate the transaction. In addition, the Commission should issue a separate order describing the divestiture plan and analyzing the reasons why its terms comply with Section 271.

Magalie Roman Salas, Secretary
February 16, 2000
Page 3

Pursuant to Section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. § 1.1206(b)(1), an original and one copy of this letter are being provided for inclusion in the public record of the above-referenced proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Jones", is written over a circular stamp. The signature is fluid and cursive, with the first name "Thomas" being more legible than the last name "Jones".

Thomas Jones

cc: Jordan Goldstein
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